

EXHIBIT A



प्राख्य. आई. आर.

Form I. R.

निगमन का प्रमाण - पत्र

CERTIFICATE OF INCORPORATION

ता. _____ की. सं. _____

CIN U 72 200 MH 2005 PTC 155767

मैं एतद्वारा प्रमाणित करता हूँ कि आज

कम्पनी अधिनियम (1956 का. सं. 1) के अधीन निगमित की गई है और कम्पनी परिसीमित है।

I hereby certify that THOMAS WEISEL INTERNATIONAL PRIVATE LIMITED is this day incorporated under The Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited.

मेरे हस्ताक्षर से आज ता. _____ को दिया गया।

Given under my hand at MUMBAI this THIRTYFIRST day of AUGUST
TWO THOUSAND FIVE.



(P. K. GAICHOR)
ASSTT. REGISTRAR OF COMPANIES
MAHARASHTRA, MUMBAI.

EXHIBIT B

Web CRD - Branch Registration/Notice Filing Status (User Name: ksantos1, OrgID: 46237) - Microsoft Internet Explorer

Back Search Favorites

Address: https://crd.nasd.com/OPM/vol/crd_opn_yoi_BR_info.aspx?PageType=REGISTRATION_PK=46237&BRANCH_OF_PK=118143

Search Web Mail Shopping My Yahoo! Answers Games Music

Web CRD®

Investor protection. Market integrity. NASD

IAFD Main CRD Main Forms Individual Organization Accounting Reports User: ksantos1 Organization: 46237 LOGOUT

View Org Organization Queues Non-Filing Info Mass Transfer

Branch Registration/Notice Filing Status

Back To Previous Menu

Branch Office Composite

Branch Registration/Notice Filing Status

Branch Deficiencies

Currently Associated Individuals

Branch Address History

Supervisor/ Person-In-Charge History

Branch Office Filing History

Return to Search Results

Organization CRD #: 46237	Organization Name: THOMAS WEISEL PARTNERS LLC
Organization SEC #: 8-51354	Applicant Name: THOMAS WEISEL PARTNERS LLC
CRD Branch #: 118143	Branch Office Address: 55/56, FREE PRESS HOUSE, 215, FREE PRESS JOURNAL MARG, NARIMAN POINT, MUMBAI, 400 021, INDIA
NYSE Branch Code #: 018	Firm Billing Code:

SRO/Jurisdiction	Registration/Notice Filing Status	Status Effective Date
NASD	Open	10/10/2005
NYSE	Approved	10/14/2005

© 1999-2006 National Association of Securities Dealers Inc. All Rights Reserved

Internet

TWPL00000003

EXHIBIT C

FILED UNDER SEAL

EXHIBIT D



September 24, 2007

TECHNOLOGY
Semiconductors: Intellectual
Property

Abhiram Eleswarapu
415.262.6361
aeleswarapu@tweisel.com

ACACIA TECHNOLOGIES GROUP —ACTG

KEY TAKEAWAYS FROM IN-HOUSE MANAGEMENT PRESENTATION

Overweight

NASDAQ: \$14.82 as of 9/21/07

Company Update

- **Acacia management presents to TWP:** We hosted Paul Ryan, CEO, and Rob Stewart of Investor Relations at Acacia Technologies in our San Francisco office on September 19, 2007.
- **Key takeaways from the day:** 1) Acacia's target market is a relatively untapped group of individual inventors and small companies that own 60% of all technology patents but generates only 1% of the total \$500bn technology licensing market. 2) The company's lucrative business model allows it to retain 35-40% of all proceeds from a license deal while providing margin leverage on a manageable cost structure. 3) It has a proven business model, having enforced more than 500 licenses from its 78 patent portfolios, and has averaged a new acquisition every two weeks since FY06 with current focus on high value portfolios. 4) The company could continue to see lumpy revenue as the timing of the deals it closes each quarter is unpredictable, and the value of the portfolios settled can vary significantly. 5) We estimate that Acacia presently has more than 40 mature portfolios (that can contribute to the top line in the near term) and several "passive" portfolios (currently subject to litigation) that could provide significant upside in the future.
- **Licensing and acquisition activity continues in F3Q07:** In F3Q07 so far, Acacia has announced 22 licensing agreements (21 in F2Q07) covering six of its patent portfolios. In addition, the company also announced acquiring four new patent portfolios so far this quarter.
- **Possible impact of recently passed patent overhaul bill:** On September 7, 2007, the House passed a patent reform bill that aims to raise the quality of patents and reduce litigation. Among the issues likely to come up before the Senate are the possibility of introducing a post-grant opposition period once a patent has been granted, deciding the patent ownership on a "first-to-file" basis rather than "first-to-invent", and new guidelines on calculating infringement damages. While Acacia's management did concede that there could be a possible impact on the company, they believe that only the fundamental aspects of the bill are likely to become part of the law, and that continued lobbying is likely to make the bill friendlier to smaller companies that it is currently perceived to be. In addition, it believes that the reform would be long-term positive for the company. Our DCF model currently incorporates \$400mn (\$1bn weighted at a 40% probability of success) in revenue from passive portfolios between FY08 and FY12. The 40% probability estimate captures the likelihood of any negative impact of patent reform, in our view.
- **Valuation:** We maintain our Overweight rating on ACTG shares and a 12-18 month price target of \$19 (approximately split as active portfolios \$8.68, passive portfolios \$8.73 and cash per share of \$1.71), based on a sum-of-the parts DCF valuation. The primary catalysts, in our view, are the possible settlements of the computing device performance and DMT portfolios over the next year or so. Key risks to our price target include our set of elaborate growth assumptions not playing out, and the timing and probability of Acacia settling with companies with which it is in litigation.

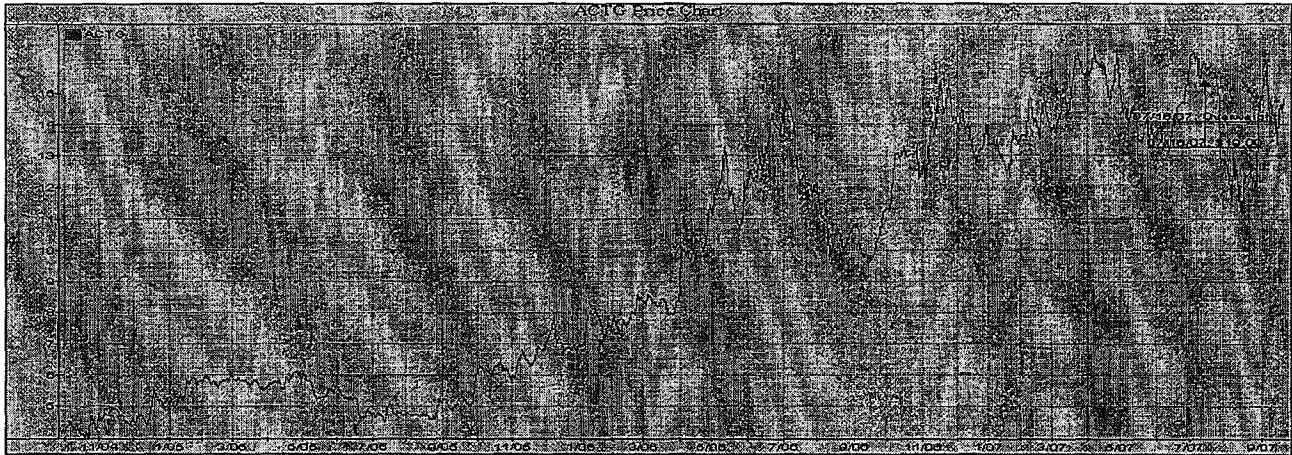
Please see analyst
certification and other
important disclosures
starting on page 2 and
continuing through
page 3.

Thomas Weisel Partners and its affiliates do and seek to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Customers of Thomas Weisel Partners in the United States can receive independent, third-party research on the company or companies covered in this report, at no cost to them, where such research is available. Customers can access this independent research at www.tweisel.com or can call (877) 921-3900 to request a copy of this research. Investors should consider this report as only a single factor in making their investment decision.

TWPL00001425

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST.

ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES: The Research Analyst(s) principally responsible for the analysis of any security or issuer included in this report certifies that the views expressed accurately reflect the personal views of the Research Analyst(s) about the subject securities or issuers and certifies that no part of his or her compensation was or is or will be, directly or indirectly, related to the specific recommendations or views expressed by the Research Analyst(s) in this report.



Notes: Price chart updated as of 9/21/2007. All price targets displayed in the chart above represent either a specific price target or the midpoint of a range.

Source: First Call, FactSet and Thomas Weisel International Private Ltd.

Thomas Weisel Partners LLC makes a market in the securities of the following company or companies mentioned in this report and may sell any of the securities to or buy them from customers on a principal basis: Acacia Technologies Group

The following grid outlines the Thomas Weisel Partners LLC stock rating system, along with the relevant definitions, effective November 16, 2006.

STOCK RATING	STOCK RATINGS DEFINITIONS	PCT. OF SECURITIES RATED IN EACH CATEGORY	PCT. FOR WHICH IB SERVICES HAVE BEEN PROVIDED
Overweight (O)	When an analyst rates a stock Overweight, he/she is advising our clients to carry a position in the stock that is in excess of its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	47.5%	33.9%
Total Buy		47.5%	33.9%
Market Weight (M)	When an analyst rates a stock Market Weight, he/she is advising our clients to carry a position in the stock that is in line with its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	49.4%	7.7%
Total Hold		49.4%	7.7%
Underweight (U)	When an analyst rates a stock Underweight, he/she is advising our clients to carry a position in the stock that is below its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	3.2%	6.7%
Total Sell		3.2%	6.7%
Suspended Rating (S)	The stock rating has been suspended.		
Not Rated (NR)	The stock is not rated, but it is covered by a Thomas Weisel Partners LLC analyst.		
Not Covered (NC)	The stock is not covered by a Thomas Weisel Partners LLC analyst.		

Notes: The percentage of investment banking services is calculated as of 6/30/2007. The percentage of securities rated in each category is calculated as of 9/24/2007. An analyst's coverage universe is defined as all of the stocks within the analyst's industry that reasonably are part of his/her potential coverage, not necessarily the stocks specifically covered. "Buy", "Hold" and "Sell" are not ratings categories defined by Thomas Weisel International and should not be interpreted as investment opinions. We show these categories for illustrative purposes in accordance with NASD and NYSE regulations. The above table includes Thomas Weisel International stocks.

Source: FactSet and Thomas Weisel Partners LLC

This report contains statements of fact relating to economic conditions generally and to parties other than Thomas Weisel International. Although these statements of fact have been obtained from and are based on sources that Thomas Weisel International believes to be reliable, we do not guarantee their accuracy and any such information might be incomplete or condensed. All opinions and estimates included in this report constitute Thomas Weisel International's judgment as of the date of this report and are subject to change without notice. This report is for information purposes only. It is not intended as an offer or a solicitation with respect to the purchase or sale of a security, and it should not be interpreted as such. This report does not take into account the investment objective, financial situation or particular needs of any particular investor. Investors should obtain individual financial advice based on their own particular circumstances before making an investment decision based on the recommendations in this report.

In the United Kingdom, this document is intended only to be directed at market counterparties and intermediate customers. It is not intended to be directed at private customers, and it may not and is not intended to be distributed to or passed on, directly or indirectly, to private customers. The investments and/or services detailed in this document are available only to market counterparties and intermediate customers. Only market counterparties and intermediate customers may rely on this document. Private customers should not rely on the contents of this document.

Thomas Weisel Partners International Limited, authorized by the FSA, has approved this document for the sole purpose of the financial promotion regime under Section 21 of the Financial Services and Markets Act of 2000.

© Thomas Weisel Partners LLC, 2007. All rights reserved. Any unauthorized use, duplication or disclosure is prohibited by law and will result in prosecution.



Discovery Research
Thomas Weisel International

September 25, 2007

HEALTHCARE
Healthcare Services

Vishal Sharma
415.262.6355
vsharma@tweisel.com

ACCELRY'S, INC. —ACCL

ANNOUNCES COMPREHENSIVE RESALE AGREEMENT WITH AGILENT

Market Weight

NASDAQ: \$6.74 as of 9/24/07

Company Update

- **Agreement with Agilent enables integration of their respective informatics products:** The partnership covers the breadth of informatics portfolios of both companies. Cost reduction and automation of data-analysis and reporting tools in biology, chemistry and QA/QC should benefit customers in the pharmaceutical industry. As part of the agreement, Accelrys will resell OpenLAB Enterprise Content Manager, Kalabie Electronic Lab Notebook and GeneSpring gene expression solutions. Agilent will resell Accord cheminformatics solutions and Pipeline Pilot Scientific Operating Platform solutions. We believe that the new sales channel created by this agreement is a positive for the company.
- **Our take:** This agreement is an example of the company's efforts to expand its sales distribution channel, in our view. We believe this partnership will have a positive impact on ACCL's sales, given Agilent's breadth of products and market hold. We will, however, look to detailed terms of the agreement to get more visibility on the timing and magnitude of the incremental benefits for ACCL from this partnership.
- **Maintaining estimates, rating and 12-month price target:** We are maintaining our FY08 and FY09 revenue estimates at \$80.75mn and \$88.01mn, and EPS estimates at \$0.04 and \$0.17, respectively. We are also maintaining our Market Weight rating and 12-month price target of \$7.
- **Valuation:** Our 12-month price target of \$7 is based on our FY08 revenue estimate of \$80.75mn and TEV/sales multiple of approximately 1.5x compared to the peer group mean of 2.0x. Our valuation is at a discount to the peer group because of poor revenue growth visibility. There always are risks that the price target for any security will not be realized. In addition to general market and macroeconomic risks, for ACCL, these risks include, among others, a reduction in development expenses because of consolidation in the pharmaceutical industry and pricing pressures from the availability of open-source code in the bioinformatics space.

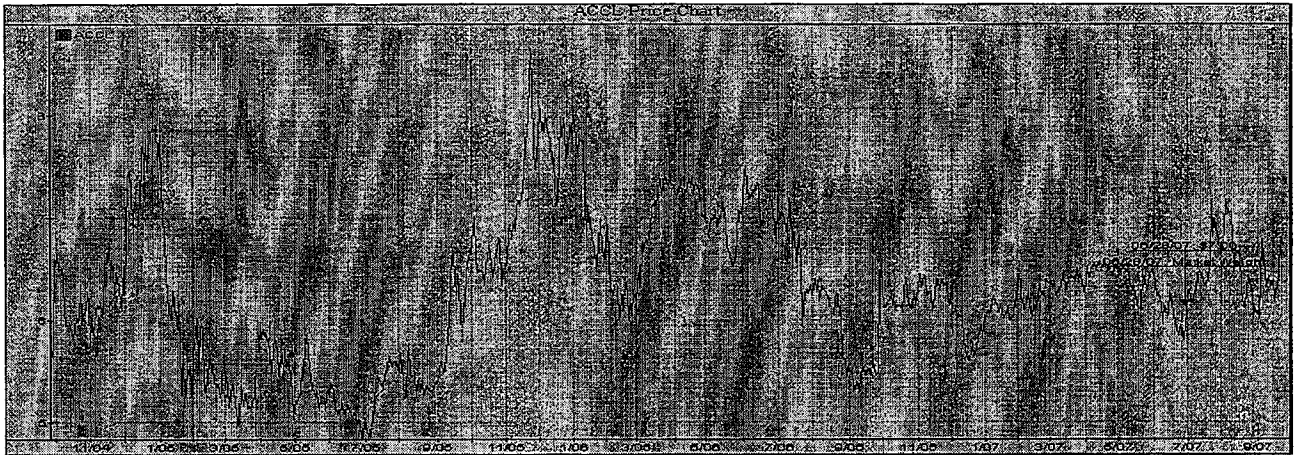
Please see analyst
certification and other
important disclosures
starting on page 2 and
continuing through
page 3.

Thomas Weisel Partners and its affiliates do and seek to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Customers of Thomas Weisel Partners in the United States can receive independent, third-party research on the company or companies covered in this report, at no cost to them, where such research is available. Customers can access this independent research at www.tweisel.com or can call (877) 921-3900 to request a copy of this research. Investors should consider this report as only a single factor in making their investment decision.

TWPL00001428

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST.

ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES: The Research Analyst(s) principally responsible for the analysis of any security or issuer included in this report certifies that the views expressed accurately reflect the personal views of the Research Analyst(s) about the subject securities or issuers and certifies that no part of his or her compensation was or is or will be, directly or indirectly, related to the specific recommendations or views expressed by the Research Analyst(s) in this report.



Notes: Price chart updated as of 9/22/2007. All price targets displayed in the chart above represent either a specific price target or the midpoint of a range.

Source: First Call, FactSet and Thomas Weisel International Private Ltd.

Thomas Weisel Partners LLC makes a market in the securities of the following company or companies mentioned in this report and may sell any of the securities to or buy them from customers on a principal basis: Accelrys, Inc.

Thomas Weisel Partners LLC expects to receive or intends to seek compensation for investment banking services from the following company or companies mentioned in this report over the next three months: Accelrys, Inc.

The following grid outlines the Thomas Weisel Partners LLC stock rating system, along with the relevant definitions, effective November 16, 2006.

STOCK RATING	STOCK RATINGS DEFINITIONS	PCT. OF SECURITIES RATED IN EACH CATEGORY	PCT. FOR WHICH IB SERVICES HAVE BEEN PROVIDED
Overweight (O)	When an analyst rates a stock Overweight, he/she is advising our clients to carry a position in the stock that is in excess of its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	47.7%	33.8%
Total Buy		47.7%	33.8%
Market Weight (M)	When an analyst rates a stock Market Weight, he/she is advising our clients to carry a position in the stock that is in line with its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	49.2%	7.8%
Total Hold		49.2%	7.8%
Underweight (U)	When an analyst rates a stock Underweight, he/she is advising our clients to carry a position in the stock that is below its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	3.2%	6.7%
Total Sell		3.2%	6.7%
Suspended Rating (S)	The stock rating has been suspended.		
Not Rated (NR)	The stock is not rated, but it is covered by a Thomas Weisel Partners LLC analyst.		
Not Covered (NC)	The stock is not covered by a Thomas Weisel Partners LLC analyst.		

Notes: The percentage of investment banking services is calculated as of 6/30/2007. The percentage of securities rated in each category is calculated as of 9/25/2007. An analyst's coverage universe is defined as all of the stocks within the analyst's industry that reasonably are part of his/her potential coverage, not necessarily the stocks specifically covered. "Buy", "Hold" and "Sell" are not ratings categories defined by Thomas Weisel International and should not be interpreted as investment opinions. We show these categories for illustrative purposes in accordance with NASD and NYSE regulations. The above table includes Thomas Weisel International stocks.

Source: FactSet and Thomas Weisel Partners LLC

This report contains statements of fact relating to economic conditions generally and to parties other than Thomas Weisel International. Although these statements of fact have been obtained from and are based on sources that Thomas Weisel International believes to be reliable, we do not guarantee their accuracy and any such information might be incomplete or condensed. All opinions and estimates included in this report constitute Thomas Weisel International's judgment as of the date of this report and are subject to change without notice. This report is for information purposes only. It is not intended as an offer or a solicitation with respect to the purchase or sale of a security, and it should not be interpreted as such. This report does not take into account the investment objective, financial situation or particular needs of any particular investor. Investors should obtain individual financial advice based on their own particular circumstances before making an investment decision based on the recommendations in this report.

In the United Kingdom, this document is intended only to be directed at market counterparties and intermediate customers. It is not intended to be directed at private customers, and it may not and is not intended to be distributed to or passed on, directly or indirectly, to private customers. The investments and/or services detailed in this document are available only to market counterparties and intermediate customers. Only market counterparties and intermediate customers may rely on this document. Private customers should not rely on the contents of this document.

Thomas Weisel Partners International Limited, authorized by the FSA, has approved this document for the sole purpose of the financial promotion regime under Section 21 of the Financial Services and Markets Act of 2000.

© Thomas Weisel Partners LLC, 2007. All rights reserved. Any unauthorized use, duplication or disclosure is prohibited by law and will result in prosecution.



Discovery Research

Thomas Weisel International

September 27, 2007

TECHNOLOGY

Electrical Components and
EquipmentGirish Nair
415.262.6351
gnair@tweisel.com

Please see analyst
certification and other
important disclosures
starting on page 2 and
continuing through
page 3.

ASTRONICS CORPORATION—ATRO

RAISING PRICE TARGET ON RECENT PROGRAM WINS AND
APPROVALS FOR NEW PRODUCTS

Overweight

NASDAQ: \$42.80 as of 9/26/07

Company Update

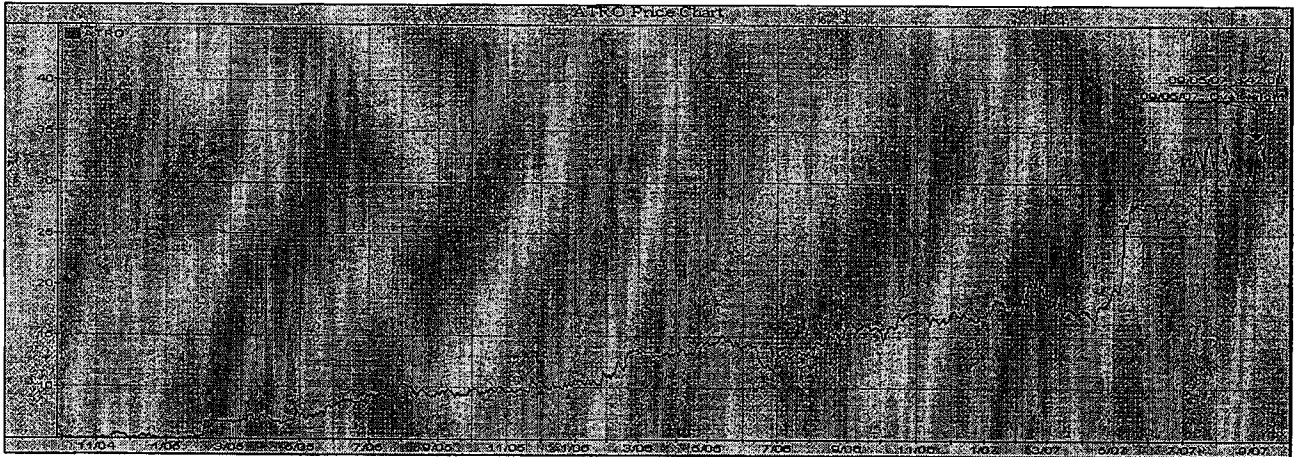
- **Incrementally positive as Astronics extends its dominance in the market for its VLJ exterior and cockpit lighting products:** Astronics was selected by Embraer recently to provide exterior lighting, flood lighting and cockpit lighting controllers for its Phenom 300 light jet platform—a larger version of the Phenom 100 Very Light Jet (VLJ) to which Astronics already supplies the same products. The Phenom 100 is scheduled for certification in mid-2008, while the Phenom 300 is scheduled for certification in mid-2009. As of June 30, 2007, the combined order backlog for the Phenom 100 and 300 was 460. The first Phenom 100 is scheduled for delivery by the end of FY08. Astronics already supplies a significant amount of content for other VLJs such as the Eclipse 500 and the Cessna Mustang. We expect the recent program win from Embraer to help Astronics extend its dominance in the market for VLJ exterior and cockpit lighting products. The program win also reinforces our confidence in our FY08 lighting products sales estimates, which we expect to grow by 19.2% y/y in FY08.
- **Cessna CJ4 program win augurs well for the company's long-term prospects, in our view:** Astronics was also selected by Cessna to provide exterior lighting and cockpit control panels for the Cessna Citation CJ4, which has a backlog of 120 and is expected to enter services in F1H10.
- **FAA approval for new exterior lighting products is a testament of Astronics' continued focus on new product development:** Astronics received the Federal Aviation Association's (FAA) approval for a tail position light and a wingtip lighting assembly. The new light-emitting diode (LED) tail position light offers lasts longer than conventional lighting products. The new LED wing-tip anti-collision and position lighting assembly needs no external power supply and reduces weight, drag and power consumption of the aircraft and lasts longer than conventional lighting products. We expect these products to replace lighting systems on older business jets and find acceptance in next generation business jets. We believe that Astronics' focus on new product development has been critical to its success in the aviation market.
- **Valuation:** We reiterate our Overweight rating on shares of ATRO, which currently trades at a P/E of 20.48x our CY08 EPS estimate versus the peer group median of 15.54x. We are raising our price target from \$42 to \$45 based on a P/E multiple of 21.50x applied to our CY08 EPS estimate of \$2.09. We are raising our PE multiple from 20.00x to 21.50x as the recent contract wins gives us increased confidence about the long-term growth prospects for Astronics. The stock has appreciated in the last three weeks based upon management presentations at recent conferences, which we believe may not be sustainable in the near term. Key risks to our price target include a downturn in the aviation market, a loss of business from key customers, a failure of new aircraft launches by Astronics' customers, especially Eclipse Aviation, and an increase in R&D expenses to support any new program wins.

Thomas Weisel Partners and its affiliates do and seek to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Customers of Thomas Weisel Partners in the United States can receive independent, third-party research on the company or companies covered in this report, at no cost to them, where such research is available. Customers can access this independent research at www.tweisel.com or can call (877) 921-3900 to request a copy of this research. Investors should consider this report as only a single factor in making their investment decision.

TWPL00001431

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST.

ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES: The Research Analyst(s) principally responsible for the analysis of any security or issuer included in this report certifies that the views expressed accurately reflect the personal views of the Research Analyst(s) about the subject securities or issuers and certifies that no part of his or her compensation was or is or will be, directly or indirectly, related to the specific recommendations or views expressed by the Research Analyst(s) in this report.



Notes: Price chart updated as of 9/24/2007. All price targets displayed in the chart above represent either a specific price target or the midpoint of a range.

Source: First Call, FactSet and Thomas Weisel International Private Ltd.

Thomas Weisel Partners LLC makes a market in the securities of the following company or companies mentioned in this report and may sell any of the securities to or buy them from customers on a principal basis: Astronics Corporation

The following grid outlines the Thomas Weisel Partners LLC stock rating system, along with the relevant definitions, effective November 16, 2006.

STOCK RATING	STOCK RATINGS DEFINITIONS	PCT. OF SECURITIES RATED IN EACH CATEGORY	PCT. FOR WHICH IB SERVICES HAVE BEEN PROVIDED
Overweight (O)	When an analyst rates a stock Overweight, he/she is advising our clients to carry a position in the stock that is in excess of its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	47.7%	33.8%
Total Buy		47.7%	33.8%
Market Weight (M)	When an analyst rates a stock Market Weight, he/she is advising our clients to carry a position in the stock that is in line with its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	49.2%	7.8%
Total Hold		49.2%	7.8%
Underweight (U)	When an analyst rates a stock Underweight, he/she is advising our clients to carry a position in the stock that is below its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	3.2%	6.7%
Total Sell		3.2%	6.7%
Suspended Rating (S)	The stock rating has been suspended.		
Not Rated (NR)	The stock is not rated, but it is covered by a Thomas Weisel Partners LLC analyst.		
Not Covered (NC)	The stock is not covered by a Thomas Weisel Partners LLC analyst.		

Notes: The percentage of investment banking services is calculated as of 6/30/2007. The percentage of securities rated in each category is calculated as of 9/27/2007. An analyst's coverage universe is defined as all of the stocks within the analyst's industry that reasonably are part of his/her potential coverage, not necessarily the stocks specifically covered. "Buy", "Hold" and "Sell" are not ratings categories defined by Thomas Weisel International and should not be interpreted as investment opinions. We show these categories for illustrative purposes in accordance with NASD and NYSE regulations. The above table includes Thomas Weisel International stocks.

Source: FactSet and Thomas Weisel Partners LLC

This report contains statements of fact relating to economic conditions generally and to parties other than Thomas Weisel International. Although these statements of fact have been obtained from and are based on sources that Thomas Weisel International believes to be reliable, we do not guarantee their accuracy and any such information might be incomplete or condensed. All opinions and estimates included in this report constitute Thomas Weisel International's judgment as of the date of this report and are subject to change without notice. This report is for information purposes only. It is not intended as an offer or a solicitation with respect to the purchase or sale of a security, and it should not be interpreted as such. This report does not take into account the investment objective, financial situation or particular needs of any particular investor. Investors should obtain individual financial advice based on their own particular circumstances before making an investment decision based on the recommendations in this report.

In the United Kingdom, this document is intended only to be directed at market counterparties and intermediate customers. It is not intended to be directed at private customers, and it may not and is not intended to be distributed to or passed on, directly or indirectly, to private customers. The investments and/or services detailed in this document are available only to market counterparties and intermediate customers. Only market counterparties and intermediate customers may rely on this document. Private customers should not rely on the contents of this document.

Thomas Weisel Partners International Limited, authorized by the FSA, has approved this document for the sole purpose of the financial promotion regime under Section 21 of the Financial Services and Markets Act of 2000.

© Thomas Weisel Partners LLC, 2007. All rights reserved. Any unauthorized use, duplication or disclosure is prohibited by law and will result in prosecution.

August 16, 2007



MEDIA AND TELECOM
Telecom Services: Wireless,
Cable and DBS

Vijay Sarathi, CFA
415.262.6366
vsarathi@tweisel.com

GTL LTD. —GTS IN

INITIATING COVERAGE WITH A MARKET WEIGHT RATING

Market Weight

BSE: Rs232.85 as of 8/14/07

Initiation Report

Key Data	FY	2007	2008	2009
52-Week Range (INR):	114-245	EPS (INR)		
Market Cap. (INR mn):	22,660.2	1Q	NA	3.30 A
Shares Outstanding (mn)	97.3	2Q	1.92 A	4.10 E
Average Daily Volume:	243,868	3Q	2.18 A	4.10 E
Free Float (mn)	64.8	4Q	2.92 A	4.20 E
Short Int. (% Free Float)	NA	Year	6.55 A	15.70 E
Fiscal Year End:	3/31	P/E	35.55x	14.83x
		Revenue (INR mn)		
Total Debt/Equity	76%	1Q	NA	4,073.20 A
TEV/TTM Sales:	1.5x	2Q	2,355.60 A	3,854.41 E
Net Cash/Share:	INR 28.28	3Q	2,934.70 A	3,854.41 E
Book Value/Share:	INR 114.08	4Q	3,964.00 A	3,950.26 E
Price/Book Value:	2.0x	Year	9,254.28 A	15,732.28 E
Price Target	INR 300.00	TEV/Sales	2.2x	1.3x
				1.1x

Note: Price is as of the close on the date indicated. Any price target displayed in the data box above represents either a specific price target or the midpoint of a range. EPS are pro forma for stock-based compensation expense and one-time items. NA= Not Available

Source: Company reports, Thomson Financial and Thomas Weisel International estimates

- **We are initiating research coverage of GTL Ltd (GTS IN) with a Market Weight rating.** GTL is India's largest telecom network services provider.
- **Revenue CAGR of 43% backed by 100% growth in wireless towers:** We estimate that India's wireless subscriber base of 172.15mn will grow at a CAGR of 41% over the next three years, creating demand for an additional 300,000 towers by 2010. We expect GTL's network engineering business, backed by strong order backlogs, to grow at a CAGR of 43% for the next two years.
- **INR11bn strong cash balance and global footprint to drive inorganic growth:** GTL's presence in the United States, Europe, Asia Pacific, and the Middle East through acquisitions and joint ventures and cash balance of INR11bn put it on course for significant inorganic growth. The company also intends to grow by an inorganic route and has set aside \$250mn for this purpose.
- **Why Market Weight?** We believe GTL's strong franchise in the wireless telecom network services space is offset equally by the strong competition the company is likely to face from the wireless telecom majors in India and the resulting margin pressures it is likely to encounter.
- **Estimates and Valuation:** Our revenue and diluted EPS (net of ESOP) estimates for FY09 are INR18,878.73mn and INR20.31, respectively. There are no Street estimates. GTL IN shares currently trade at 14.83x our FY08 EPS estimate relative to the peer group median of 12.61x. Our 12-18 month price target of INR300 is based on a P/E multiple of 13x our FY09 EPS estimate of INR20.31 plus the value of the company's investment in GTL Infrastructure Ltd. The key risks to achieving our price target include possible consolidation in the Indian telecommunications sector and GTL's inability to successfully integrate future acquisitions.

Please see analyst
certification and other
important disclosures
starting on page 12 and
continuing through
page 13.

Thomas Weisel Partners and its affiliates do and seek to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Customers of Thomas Weisel Partners in the United States can receive independent, third-party research on the company or companies covered in this report, at no cost to them, where such research is available. Customers can access this independent research at www.tweisel.com or can call (877) 921-3900 to request a copy of this research. Investors should consider this report as only a single factor in making their investment decision.

TWPL00001434

COMPANY DESCRIPTION

GTL Limited (GTS IN) is India's largest telecom network service provider. GTL provides network design and planning, network deployment, network operations and maintenance, infrastructure management, professional services, and application management to telecom operators. GTL is headquartered in Mumbai, India. The company has deployed more than 16,000 cell sites in more than 25 countries to more than 35 operators.

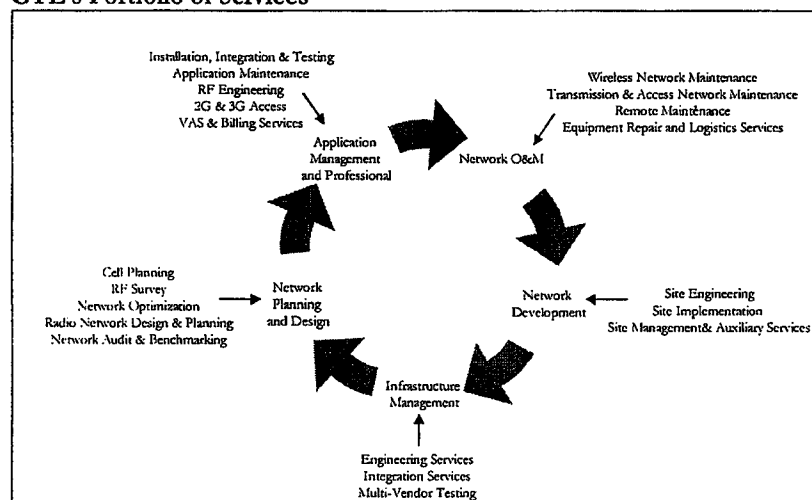
GTL's Evolution

1987	Incorporated as a private limited company.
1992	Initial Public Offer
2000	Stock based acquisitions – Thermax Systems & Software and Fine Infotech.
2001	Stock based acquisitions – Global Electronic Commercial Services Ltd.
2003	Business restructuring – creation of Network Services and Infrastructure divisions.
2006	Infrastructure division hived off as a 40% subsidiary – GTL Infrastructure Ltd.
2007	Acquired Genesis Consulting Sell Network business to Orange.

Source: Company reports

GTL's portfolio of services is illustrated in the chart below. The company has strong partnerships with various OEMs such as Oracle, Ericsson, Nokia, Nortel, Alcatel-Lucent, Huawei, ZTE, and Motorola. The company has some of the major telecommunications operators of India as its clients such as Bharat Sanchar Nigam Limited (BSNL), Bharti Airtel, Reliance Communication, and Idea Cellular.

GTL's Portfolio of Services



Source: Company reports

INVESTMENT THESIS

CAGR of 41% in the Indian wireless telecom market; 100% growth in wireless towers anticipated: India is one of the fastest-growing wireless telecom markets in the world. Currently, India has approximately 180mn wireless subscribers, and COAI projects that this will grow at a CAGR of 41% over the next three years. COAI projects that, to sustain this strong subscriber growth, the telecommunications industry in India will add another 300,000 towers by 2010. We estimate that, as of March 2007, the tower base is around 120,000. TRAI is currently emphasizing tower sharing to reduce the infrastructure cost for individual operators and to accelerate the growth in teledensity. After factoring in the potential infrastructure sharing, we estimate that the total tower base will double to 240,000 towers by the end of 2010.

Upside to our model from inorganic growth; backed by a \$250mn cash chest: In FY07, the company acquired Genesis Consultancy, which has a presence in Europe, the United States and Asia Pacific. The company also has a joint venture with Al-Nasser LLC in the Middle East. GTL has earmarked INR10bn, or \$250mn, for acquisitions. It is keen on further inorganic growth in the United States, Europe and the APAC region, and we believe it has already made some non-binding offers to potential targets in these regions. Although we have not factored any inorganic growth in our model, we believe GTL could report strong top-line growth led by acquisitions.

Order backlog growth of 66%; good revenue visibility for FY08: For the period ending March 2007, GTL reported a strong order backlog of INR15.60bn compared to INR9.40bn in FY06. This is strong growth of 66% on y/y basis. Network deployment (76.9%) accounts for the bulk of the backlog. The strong capital expenditure plans and the y/y increase in capital expenditure by some of the leading telecom operators of India also give strong visibility to the future order flow for GTL.

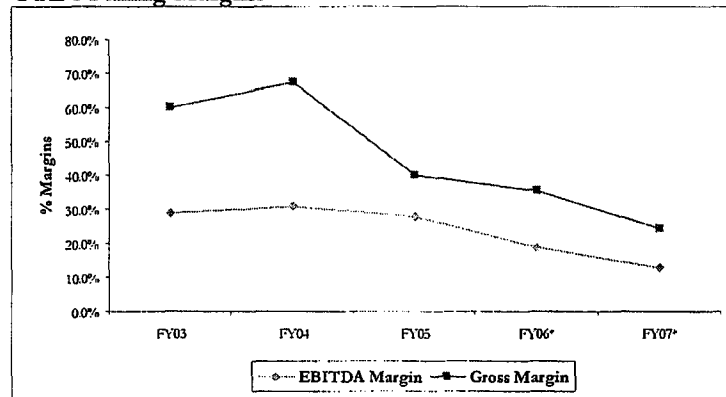
Federal fund of \$3.6bn to boost the addressable market: In a recent move, the Department of Telecommunications in India (DoT) invited bids from various telecom operators for active and passive infrastructure and from nearly 20 stand-alone tower companies for setting up passive infrastructure. DoT intends to set up 8,000 telecom towers across the country at an estimated cost of \$900mn, or INR3.6bn. The government will provide the capital to set up these towers from the Universal Service Obligation Fund (USOF) through a bidding process. This project would cover nearly 212,000 villages, thereby increasing the teledensity in the country. Successful bidders would be required to complete 50% of the project within eight months and the balance in the subsequent four months. In our view, this could provide further upside for the company in the current year.

Strong balance sheet with cash and investments—cash per share of INR120: The company had cash and cash equivalents of INR11.24bn as of FY07, amounting to INR114.45 per share. Apart from this, as of March 2007, the company had investments of INR0.86bn and another INR1.374bn in a listed associate GTL infrastructure. As of FY07, GTL owned 40.04% of the outstanding shares of GTL Infrastructure.

INVESTMENT RISKS

Consolidation in the wireless industry: Currently, there are nine telecommunications operators in India, and we estimate there are another 10 passive tower companies. Any further consolidation in the industry could put further pressure on GTL's operating margin. The volatility in revenue and earnings (as illustrated in the charts on the next page) could be further exacerbated by this trend.

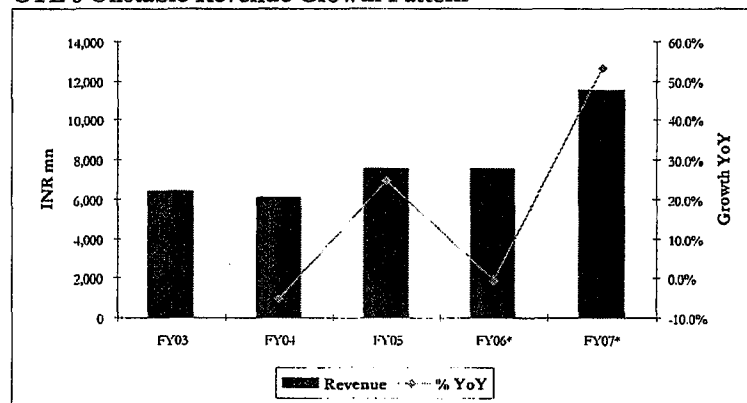
GTL's Falling Margins



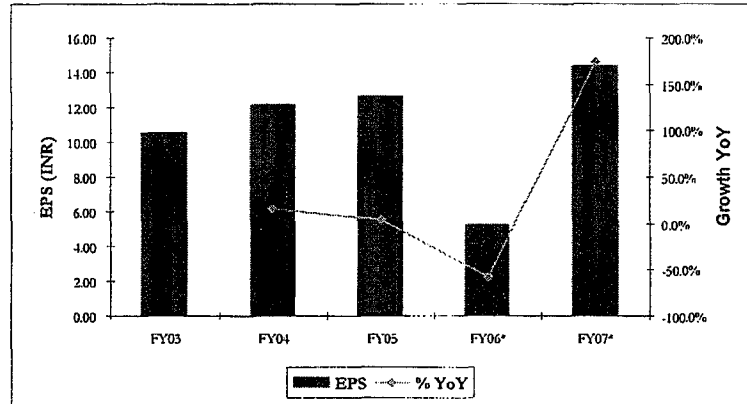
*FY06 and FY07 numbers are annualized for comparison
Source: Company reports

Competing with clients: The biggest paradox for GTL is its having to compete with its own clients (telecom operators) for business. Any curb on network deployment and network operations outsourcing by its clients could adversely affect the company. Also, GTL derived 46% of its revenue from five customers as of FY07. Any loss of these key accounts would have a significant impact on the top line.

GTL's Unstable Revenue Growth Pattern



*FY06 and FY07 numbers are annualized for comparison
Source: Company reports

GTL's Volatile EPS Growth Rate

*FY06 and FY07 numbers are annualized for comparison

Source: Company reports

Successful integration of acquisitions: The company has shown a keen interest in acquisitions and has already allocated \$250mn for acquisitions. Management does not have a lot of prior experience in integrating companies, and a failure to successfully integrate and gain expected synergies could adversely affect the company.

INVESTIBILITY—SUFFICIENT HEAD ROOM FOR FII INVESTMENT

Foreign holdings: The Central Government has put a cap of 74% on composite foreign holdings in the telecom and electronic media sector, which includes foreign direct investment (FDI), foreign institutional investors (FIIs), non resident Indians (NRIs), and overseas corporate bodies (OCBs).

Foreign Holding Status

Holder Category (as on 30th June 2007)	(%) Stake
Foreign Institutional Investors	28.02
Foreign Financial Institutions / Banks	0.11
Overseas Corporate Bodies	0.44
Foreign Corporate Bodies	10
Non Resident Indians	0.8
Total Foreign Holding	39.37
Foreign Holding Cap	74
Balance	34.63

Source: Bombay Stock Exchange

Free float of 67% and ample liquidity: The free float shareholding for the company is 66.6% of the total outstanding shares. The average 30-day trading volume for the company is 260,000 shares, which indicates a good level of liquidity in the stock.

The company also trades in the derivative segment of the market: The following table summarizes its performance parameters over the past 30 trading days.

Future and Options Details

Futures	
Average Turnover (INR mn)	766.19
Average Open Interest (mn)	7.18
Contract size	1,500
Options	
Put	
Average Turnover (INR mn)	0.55
Average Open Interest (mn)	0.02
Call	
Average Turnover (INR mn)	11.41
Average Open Interest (mn)	0.18
Put call Ratio	6.50%
Volatility (annualized)	32.78

Source: National Stock Exchange

CORPORATE GOVERNANCE AND MANAGEMENT BACKGROUND

Chairman and managing director Manoj Tirolkar, 43, has conceived and developed GTL for the past 20 years. He is also the chairman of GTL Infrastructure Limited, a listed company pioneering the concept of shared user telecom infrastructure in India.

COO Charudutta Naik has an overall experience of 20 years in the network services space and has held several key positions in various telecom and system integration companies such as Crompton Greaves and Unitel Communications.

In the corporate governance section, we have captured a set of metrics that reflect the corporate governance profile of GTL. We have adapted our framework to fit with the level of information disclosure in publicly available company documents and regulatory filings. Although we will continue to refine and redefine this framework, we present a summary comparison of GTL with an internally developed benchmark on this set of corporate governance metrics. With respect to our benchmark, we find that GTL could improve with respect to the percentage of insider ownership and loans to group companies.

Corporate Governance Report

	GTL	Benchmark
Audit		
% attendance at Audit Committee meetings	89%	100%
Frequency of Audit Committee meetings	3 times annually	4 time annually
Board		
CEO representation on other boards	2	2
Director attendance at board meetings	84%	85%
% of independent directors on the board	75%	55%
CEO / MD & Chairman role separation	No	Yes
% of promoter directors on board	11%	35%
Size of the board	9	15
Compensation		
% of independent directors in compensation committee	100%	100%
Availability and % of promoter director compensation through stock options	0%	0%
Availability and % of non-promoter director compensation through stock options	Yes	Yes
Stock option expensing	Yes	Yes
Insider Ownership		
% ownership of insiders in the total stock outstanding	33.4%	20.0%
Cross holding across group companies	Yes	No
Other		
Loans to group companies	Yes	No

Notes:

Only non-executive and independent directors considered independent
 % attendance calculated on the basis of cumulative meeting opportunities available

Source: All data as per the latest available annual report/company presentation as applicable.

SHARE HOLDING PATTERN**Share Holding—June 30, 2007**

	No of Shares	% of Holding
Promoters:		
Global Assets Holding Corporation Pvt Ltd	22,283,221	22.87
Makan Investments Trading Company Ltd	5,771,035	5.92
Finav Securities Pvt Ltd	4,055,381	4.16
Manoj G Tirodkar	246,500	0.25
Gajanan R Tirodkar	156,883	0.16
Snehlata G Tirodkar	24,416	0.03
Pramod Gajanan Tirodkar	2,074	
	32,539,510	33.39
Non Promoters:		
Citigroup Global Markets Mauritius Pvt Ltd	7,485,531	7.68
UBS Securities Asia Ltd	5,063,501	5.20
Somerset India Fund Vulpes Strategic	4,413,468	4.53
Merrill Lynch Capital Markets Espana S A S V	2,627,119	2.70
Mavi Investment Fund Ltd	2,359,847	2.42
BSMA Ltd	2,225,419	2.28
Bennett Coleman & Company Ltd	2,050,000	2.10
Deutsche Securities Mauritius Ltd	1,954,798	2.01
Morgan Stanley & Company International Ltd	1,372,160	1.41
Goldman Sachs Investments Mauritius I Ltd	1,178,356	1.21
LIC of India	1,007,259	1.03
	31,737,458	32.57

Source: Capital Line

August 16, 2007

7

Thomas Weisel International
 Vijay Sarathi, CFA 415.262.6366

TWPL00001440

ESTIMATES

Our revenue estimates for FY08 and FY09 are INR15,732.28mn and INR18,878.73mn, respectively. Our diluted EPS estimates net of stock options expense for FY08 and FY09 are INR15.70 and INR20.31, respectively. There are no Street estimates available for GTL.

VALUATION

GTL Ltd. shares are currently trading at 14.83x our FY08 EPS estimate relative to the peer group median of 12.61x. On an FY08E TEV/revenue basis, GTL currently trades at 1.3x versus the peer group median of 0.6x.

Comparable Company Valuations

Company	Ticker	Price	P/E			2009 E TEV / Rev		TEV / EBITDA			FY07-FY09E	Market Cap	Avg Daily
		8/14/2007	FY07A	FY08E	FY09E	P/E/G	FY08E	FY07A	FY08E	FY09E	Growth	(mn)	Vol('000)
GTL Limited *	GTL-BY	INR 232.85	35.55x	14.83x	11.46x	0.15	1.3x	16.98x	8.50x	7.08x	76.1%	INR 22,660.24	244
LCC International, Inc. +	LCCI	\$3.70	23.13x	12.76x	NM	NM	0.6x	NM	NM	NM	NM	\$94.88	152
WPCS International Incorporated ^	WPCS	\$10.97	15.24x	12.47x	NM	NM	0.6x	6.95x	4.91x	NM	NM	\$76.56	58
MEDIAN (ex GTL-BY)			19.18x	12.61x			0.6x						
MEAN (ex GTL-BY)			19.18x	12.61x			0.6x						

Note: EPS data represents Proforma diluted EPS, net of stock options expense and excluding one time charges, NM= Not Meaningful, NA = Not Available, + FY ending in December FY07 figures are estimates, ^ FY ending in April, Net cash figures are from the latest balance sheet available

Source: Company reports, Thomson Financial and (*) Thomas Weisel International estimates

Our 12-18 month price target of INR300 is based on a P/E multiple of 13x our FY09 EPS estimate of INR20.31 plus the value of the company's investment in GTL Infrastructure Ltd. of INR38 per share of GTL. We arrive at the value of GTL infrastructure Ltd. by valuing each of its 6,700 towers at INR2.4mn. There always are risks that the target price for any security will not be realized. In addition to general market and macroeconomic risks, for GTS IN, these risks include, among other things, consolidation of telecommunications players in the Indian market and a failure to successfully integrate future acquisitions.

GTL - Reported Financials

(Amounts in INR mn, except per share data)

Income Statement	FY 2006A	FY 2007A	Jun-07 1Q08A	Sep-07 2Q08E	Dec-07 3Q08E	Mar-08 4Q08E	FY 2008E	Jun-08 1Q09E	Sep-08 2Q09E	Dec-08 3Q09E	Mar-09 4Q09E	FY 2009E
Income:												
Sales	2,804.82	2,254.28	4,073.20	3,854.41	3,854.41	3,950.26	4,153.32	4,153.32	4,530.90	4,908.47	5,286.04	5,672.73
Expenditures:												
Cost of sales and services	1,109.55	867.57	2,841.00	2,688.40	2,688.40	2,755.25	2,896.88	2,896.88	3,160.24	3,423.59	3,686.94	3,916.63
Cost Of Delivery	1,139.25	1,097.05	270.80	256.25	256.25	262.63	276.13	276.13	301.23	326.33	351.43	375.32
Gross Profit	1,695.27	1,386.71	1,232.20	1,166.01	1,166.01	1,195.01	1,256.44	1,256.44	1,370.66	1,484.88	1,599.10	1,756.10
Administrative Expenses	1,108.01	723.50	223.60	211.59	211.59	216.85	228.00	228.00	248.73	269.45	290.18	306.56
Connectivity Charges			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personnel Cost			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Selling and Distribution Expenses	406.05	335.47	131.30	124.25	124.25	127.34	133.88	133.88	146.05	158.23	170.40	180.54
Other Expenses												
EBITDA	587.26	663.21	606.50	573.92	573.92	588.19	618.43	618.43	674.65	730.87	787.09	839.09
Finance Expenses	0.00	0.00	68.40	65.52	65.52	67.15	62.30	62.30	67.96	73.63	79.29	83.83
Depreciation & other write off	23.53	308.54	114.40	88.98	88.98	91.20	95.88	95.88	104.60	113.32	122.03	125.83
Other Income	14.54	22.28	(82.20)				(82.20)	(82.20)				
Share of profit/(loss) in associates (IGTL & GTLI)												
Net Profit Before Tax	600.05	730.37	341.50	419.41	419.41	429.84	460.25	460.25	502.09	543.93	585.77	609.20
Provision of Taxes	27.75	54.06	20.10	19.90	19.90	20.39	24.79	24.79	27.04	29.30	31.55	31.55
Current Tax	28.08	57.77	28.20	19.90	19.90	20.39	24.79	24.79	27.04	29.30	31.55	31.55
Fringe Benefit Tax	1.67	16.29	4.10				2.00	2.00				
Deferred Tax	2.00	19.80	(12.20)				(2.00)	(2.00)				
Net Profit After Taxes	572.30	676.31	321.40	399.52	399.52	409.45	435.46	435.46	475.04	514.63	554.22	577.65
Add/ (Less):- Prior period Incomes (Expenses)	22.07	(30.29)										
Net Profit	594.37	646.02	321.40	399.52	399.52	409.45	435.46	435.46	475.04	514.63	554.22	577.65
Basic EPS (GAAP)	INR 8.57	INR 6.58	INR 3.30	INR 4.10	INR 4.10	INR 4.20	INR 4.47	INR 4.47	INR 4.88	INR 5.28	INR 5.69	INR 5.91
Diluted EPS (GAAP)	INR 6.63	INR 5.22	INR 3.30	INR 4.10	INR 4.10	INR 4.20	INR 4.47	INR 4.47	INR 4.88	INR 5.28	INR 5.69	INR 5.91
Common shares outstanding ('000)	69,382	98,163	97,439	97,439	97,439	97,439	97,439	97,439	97,439	97,439	97,439	97,439
Diluted shares outstanding ('000)	89,704	98,163	97,439	97,439	97,439	97,439	97,439	97,439	97,439	97,439	97,439	97,439
Dividend per share	0.00	0.00										
Common Size Statements												
Income:												
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Expenditures:												
Cost of sales and services	69.7%	69.7%	69.7%	69.7%	69.7%	69.7%	69.7%	69.7%	69.7%	69.7%	69.7%	69.7%
Cost Of Delivery	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
Gross Profit	23.6%	23.6%	23.6%	23.6%	23.6%	23.6%	23.6%	23.6%	23.6%	23.6%	23.6%	23.6%
Administrative Expenses	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Connectivity Charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Personnel Cost	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Selling and Distribution Expenses	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
Other Expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%
Finance Expenses	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Depreciation & other write off	2.8%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Other Income	(2.0)%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Share of profit/(loss) in associates (IGTL & GTLI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Profit Before Tax	10.9%	10.9%	10.9%	10.9%	10.9%	10.9%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%
Provision of Taxes	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Current Tax	0.7%	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Fringe Benefit Tax	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred Tax	(0.3)%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Profit After Taxes	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%

Source: Company reports and Thomas Weisel International estimates

August 16, 2007

9

Thomas Weisel International
Vijay Sarathi, CFA 415.262.6366

TWPL00001442

Balance Sheet	FY	FY	Jun-07	Sep-07	Dec-07	Mar-08	FY	Jun-08	Sep-08	Dec-08	Mar-09	FY
(Amounts in Rs. mn, except per share data)	2006A	2007A	1Q08A	2Q08E	3Q08E	4Q08E	2008E	1Q09E	2Q09E	3Q09E	4Q09E	2009E
LIABILITIES AND STOCKHOLDERS' EQUITY												
Share Capital	95.70	973.17					110,92.74					1,020.47
Reserves and Surplus	752.22	40,125.07					11,681.08					13,697.84
Minority Interest	18.33	2.77					1.75					3.41
Secured Loans	281.17	5,405					2,751.55					2,841.85
Unsecured Loans	2,647.41	7,398.36					7,892.36					7,838.36
Deferred Tax Liability	0.00	0.00			Data Not Released		0.00		Data Not Released			0.00
Total Liabilities and Stockholders' Equity	12,694.83	19,597.02					21,417.53					23,122.88
ASSETS												
Fixed Assets												
Gross Block	1,157.09	1,222.22					1,021.11					1,021.11
Less:- Depreciation	894.55	912.53					242.83					242.83
Net Block	262.54	309.69					778.28					778.28
Capital work in progress including capital advances	4,097.72	3,616.35					1,512.23					1,512.23
Investments												
Others	1,225.36	2,672.67					862.69					1,522.83
Investment in GTLJ	1,130.00	1,010.00					1,509.11					1,509.11
Deferred tax asset	38.17	12.33					122.23					122.23
Current Assets												
Inventories	277.13	1,395.83					1,651.41					1,651.41
Total Debtors	2,597.43	3,313.71			Data Not Released		2,588.21		Data Not Released			2,588.21
Security Deposits							13.40					13.40
Others	1,147.22	1,397.85					1,084.94					1,084.94
Total Loans & Advances	1,147.22	1,397.85					1,147.22					1,147.22
Cash and Cash Equivalents	1,932.24	10,014.83					1,932.24					1,932.24
FDR's	2,021.01	1,075.39					1,075.39					1,075.39
Cash & Bank Advances	38.17	244.27					11,806.13					12,180.90
Total Current Assets	12,397.97	19,597.02					25,159.77					26,433.68
Total Current Liabilities	1,147.22	1,397.85					1,412.61					1,412.61
Sundry Creditors	583.22	1,800.00					18.00					18.00
Investor education and protection fund							18.00					18.00
Other liabilities	564.00	1,000.00					1,000.00					1,000.00
Provisions	2,000.00	1,500.00					1,500.00					1,500.00
Advances from Customers							1,500.00					1,500.00
Less Total Current Liabilities and Provisions	1,147.22	1,397.85					1,412.61					1,412.61
Net Current Assets	11,250.75	18,199.17					23,747.16					25,021.07
Miscellaneous Expenditure	0.00	0.00					0.00					0.00
Total assets	12,694.83	19,597.02					21,417.53					23,122.88

Source: Company reports and Thomas Weisel International estimates

August 16, 2007

10

Thomas Weisel International
Vijay Sarathi, CFA 415.262.6366

TWPL00001443

CASH FLOW	FY	FY	Jun-07	Sep-07	Dec-07	Mar-08	FY	Jun-08	Sep-08	Dec-08	Mar-09	FY
(Amounts in \$mm, except per share data)	2006A	2007A	1Q08A	2Q08E	3Q08E	4Q08E	2008E	1Q09E	2Q09E	3Q09E	4Q09E	2009E
CASH FLOWS FROM OPERATING ACTIVITIES:												
Net (loss)/profit before tax but after exceptional items	(127.5)	(230.3)					(1510.17)					(2,072.03)
Adjustments for:												
Depreciation	722.77	608.34					763.56					755.83
Interest Expenses	0.00	0.00					266.80					267.83
Interest Income	(40.04)	(40.25)					0.00					0.00
(Profit)/Loss on sale of Fixed Assets sold	2.46	(14.06)										
(Profit)/Loss on sale of Investments sold	15.72	(17.42)										
Debit/Credit balances and claims written off	23.84	70.78										
Miscellaneous Expenditure written off	7.25	0.00										
Provision for Bad & Doubtful Debts	36.92	0.34										
(Gain)/Loss on exchange fluctuation	(100.50)	13.57										
Employee Compensation Expenses under ESOP	(29.39)	2.48										
Provision for Tax	0.00	0.00					(64.31)					(102.08)
Operating Profit before working capital changes	(97.90)	(25.14)					(414.05)					(570.26)
Adjustments for changes in working capital:-												
(Increase)/Decrease in Sundry Debtors	(507.03)	(1,051.10)					(2,339.87)					(2,729.93)
(Increase)/Decrease in Inventories	969.78	(2,330.11)					(971.57)					(7,774.80)
(Increase)/Decrease in Loans and advances	(262.57)	(2,328.60)					0.00					0.00
(Increase)/Decrease other liabilities and provisions	369.22	3,325.54					0.00					0.00
Increase/(Decrease) in Trade and Other Payables	16.82	(87.55)					(102.00)					(600.25)
Cash generated from operations	23.22	(166.26)										
Taxes (Paid)/Received (Net of TDS)	0.00	0.00					0.00					0.00
Interest Paid	(276.62)	(354.20)										
Financial Charges	0.00	2.52										
Prior Period (Expenses)/Income (Net)	(25.07)	(170.54)										
Effect of scheme	2.31	0.00										
Translation adjustment & reserve on consolidation	0.00	0.00										
Extraordinary/Exceptional Item (Expenses)/Income	(1.52)	(180.78)										
Net cash provided by operating activities	(15.52)	(727.51)					(1,871.00)					(2,870.26)
CASH FLOWS FROM INVESTING ACTIVITIES:												
Purchase of fixed-assets	(35,523.1)	(1,12,054.4)										(1,37,770.0)
Proceeds from sale of fixed assets	2,161.00	2,095.61										
Capital work in progress	0.00	0.00										
Proceeds from sale of investments	15,000.00	27,700.00										
Purchase of Investments	(2,70,741)	(6,145.00)					0.00					0.00
Miscellaneous Expenditure written off												
Interest, dividend Received (Revenue)	340.22	5,102.25					0.00					0.00
Net cash provided by (used for) Investing activities	(33,022.91)	(85,001.54)					(1,332.71)					(1,332.71)
CASH FLOWS FROM FINANCING ACTIVITIES:												
Proceeds from fresh issue of Share Capital, including premium	13,333.33	1,08,333.33					53,333.33					53,333.33
Net Proceeds from long term borrowings	1,00,000.00	5,00,000.00					2,00,000.00					2,00,000.00
Gain on exchange fluctuations	10,000.00	1,00,000.00										
Interest, dividend Paid	(1,00,000.00)	(1,00,000.00)					(2,00,000.00)					(2,00,000.00)
Financial Charges	(1,00,000.00)	(74,333.33)										
Dividend, including dividend tax	(1,00,000.00)	(58,333.33)					(2,00,000.00)					(2,00,000.00)
Net cash (used for) provided by financing activities	(1,00,000.00)	(82,000.00)					(2,00,000.00)					(2,00,000.00)
Difference due to total												
Difference due to restatement												
NET INCREASE IN CASH AND CASH EQUIVALENTS												
CASH AND CASH EQUIVALENTS AT THE BEGINNING												
CASH AND CASH EQUIVALENTS AT THE END												

Source: Company reports and Thomas Weisel International estimates

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST.

ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES: The Research Analyst(s) principally responsible for the analysis of any security or issuer included in this report certifies that the views expressed accurately reflect the personal views of the Research Analyst(s) about the subject securities or issuers and certifies that no part of his or her compensation was or is or will be, directly or indirectly, related to the specific recommendations or views expressed by the Research Analyst(s) in this report.



Notes: Price chart updated as of 8/13/2007. All price targets displayed in the chart above represent either a specific price target or the midpoint of a range.

Source: First Call, FactSet and Thomas Weisel International Private Ltd.

The following grid outlines the Thomas Weisel Partners LLC stock rating system, along with the relevant definitions, effective November 16, 2006.

STOCK RATING	STOCK RATINGS DEFINITIONS	PCT. OF SECURITIES RATED IN EACH CATEGORY	PCT. FOR WHICH IB SERVICES HAVE BEEN PROVIDED
Overweight (O)	When an analyst rates a stock Overweight, he/she is advising our clients to carry a position in the stock that is in excess of its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	46.6%	34.6%
Total Buy		46.6%	34.6%
Market Weight (M)	When an analyst rates a stock Market Weight, he/she is advising our clients to carry a position in the stock that is in line with its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	49.9%	7.9%
Total Hold		49.9%	7.9%
Underweight (U)	When an analyst rates a stock Underweight, he/she is advising our clients to carry a position in the stock that is below its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	3.5%	6.3%
Total Sell		3.5%	6.3%
Suspended Rating (S)	The stock rating has been suspended.		
Not Rated (NR)	The stock is not rated, but it is covered by a Thomas Weisel Partners LLC analyst.		
Not Covered (NC)	The stock is not covered by a Thomas Weisel Partners LLC analyst.		

Notes: The percentage of investment banking services is calculated as of 6/30/2007. The percentage of securities rated in each category is calculated as of 8/16/2007. An analyst's coverage universe is defined as all of the stocks within the analyst's industry that reasonably are part of his/her potential coverage, not necessarily the stocks specifically covered. "Buy", "Hold" and "Sell" are not ratings categories defined by Thomas Weisel International and should not be interpreted as investment opinions. We show these categories for illustrative purposes in accordance with NASD and NYSE regulations. The above table includes Thomas Weisel International stocks.
Source: FactSet and Thomas Weisel Partners LLC

This report contains statements of fact relating to economic conditions generally and to parties other than Thomas Weisel International. Although these statements of fact have been obtained from and are based on sources that Thomas Weisel International believes to be reliable, we do not guarantee their accuracy and any such information might be incomplete or condensed. All opinions and estimates included in this report constitute Thomas Weisel International's judgment as of the date of this report and are subject to change without notice. This report is for information purposes only. It is not intended as an offer or a solicitation with respect to the purchase or sale of a security, and it should not be interpreted as such. This report does not take into account the investment objective, financial situation or particular needs of any particular investor. Investors should obtain individual financial advice based on their own particular circumstances before making an investment decision based on the recommendations in this report.

In the United Kingdom, this document is intended only to be directed at market counterparties and intermediate customers. It is not intended to be directed at private customers, and it may not and is not intended to be distributed to or passed on, directly or indirectly, to private customers. The investments and/or services detailed in this document are available only to market counterparties and intermediate customers. Only market counterparties and intermediate customers may rely on this document. Private customers should not rely on the contents of this document.

Thomas Weisel Partners International Limited, authorized by the FSA, has approved this document for the sole purpose of the financial promotion regime under Section 21 of the Financial Services and Markets Act of 2000.

© Thomas Weisel Partners LLC, 2007. All rights reserved. Any unauthorized use, duplication or disclosure is prohibited by law and will result in prosecution.

August 16, 2007

13

Thomas Weisel International
Vijay Sarathi, CFA 415.262.6366

TWPL00001446



Discovery Research
Thomas Weisel International

October 25, 2007

TECHNOLOGY

Software: Applications &
Communications

Abhiram Eleswarapu
415.262.6361
+91.22.30214510
aeleswarapu@tweisel.com

SUBEX AZURE LTD. —SUBX IN

MUTED QUARTER ON RESOURCE ALLOCATION ISSUES; CUTTING PT ON LACK OF NEAR-TERM CATALYSTS

Market Weight

BSE: Rs344.50 as of 10/25/07

Earnings Summary

Key Data	FY	2007	2008 Prev	2008 New	2009 Prev	2009 New
Reuters ticker: SUBX.BO	EPS (INR)					
Thomson ticker: SUBXAZU-BY	1Q	1.67A	5.46A	5.14A	6.70E	9.13E
52-Week Range (INR): 350-803	2Q	5.40A	6.63E	(6.18)A	12.25E	9.13E
Market Cap. (INR mn): 11,646	3Q	5.71A	9.99E	7.73E	15.61E	9.78E
Market Cap. (\$ mn): 297	4Q	8.24A	12.84E	17.25E	16.50E	10.94E
Average Daily Volume: 47,325	Year	21.02A	34.92E	23.94E	51.06E	38.98E
Free Float: 81.0%	P/E	16.4x		14.4x		8.8x
Fiscal Year End: 03/31						
	Revenue (INR mn)					
	1Q	434A	1,317A	1,317A	1,714E	1,941E
Long Term Debt/Equity: 95%	2Q	1,031A	1,699E	1,030A	2,229E	1,999E
Net Cash/Share (INR): (227.35)	3Q	1,062A	2,045E	1,729E	2,644E	2,108E
Book Value/Share (INR): 242.94	4Q	882A	2,322E	2,276E	2,842E	2,226E
Price/Book Value: 1.4x	Year	3,409A	7,382E	6,351E	9,429E	8,274E
Price Target: INR 400	TEV/Sales	5.8x		3.1x		2.4x

Note: Price is as of the close on the date indicated. Any price target displayed in the data box above represents either a specific price target or the midpoint of a range. USD market cap. based on a recent exchange rate of US\$ = INR39.234. EPS is pro forma for the conversion of FCCBs and warrants.

Source: Company reports, Thomson Financial, Thomas Weisel International estimates

- **Key takeaways:** Subex Azure reported muted F2Q08 results on October 23, 2007, on delays in allocating sufficient resources to its continuing business, which in turn prevented it from achieving timely revenue recognition milestones. Despite the relatively weak quarter, management reiterated its FY08 guidance of product revenue of INR5,200mn (\$130mn) and profit after tax of INR1,040mn (\$26mn), which leads us to believe that the company could see a strong F2H08.
- **The numbers:** Subex Azure reported F2Q08 revenue of INR1,030mn (flat y/y, down 21.8% q/q). Net loss stood at INR(348mn), while EPS came in at INR(9.91). Products revenue (down 3.4% y/y), was INR716mn while service revenue (up 8.2% y/y) came in at INR314mn.
- **Changes to our estimates:** We are lowering our revenue estimates to INR6,351mn and INR8,274mn for FY08 and FY09, respectively. We are modeling the EBITDA margin to improve from 14.3% in FY07 to 18.1% in FY08 and 32.4% in FY09, driven by significant rationalization in the cost structure after the Syndesis integration. Our pro forma diluted EPS estimates are INR23.94 and INR38.98 for FY08 and FY09, respectively, and account for FCCB and warrant dilution. Our previous estimates do not reflect the company's lowered guidance of September 14, 2007.
- **Summary and valuation:** We are maintaining our Market Weight rating on SUBX IN shares but are lowering our 12-month price target to INR400 (10.3x FY09E EPS) as we await proof of execution of the company's FY08 targets. SUBX IN currently trades at 14.4x FY08E versus its peer group median of 16.6x. Risks to our price target include higher-than-expected restructuring costs, continuing resource allocation issues and a slowdown in capital spending by telecom service providers.

Please see analyst
certification and other
important disclosures
starting on page 9 and
continuing through
page 10.

Thomas Weisel Partners and its affiliates do and seek to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Customers of Thomas Weisel Partners in the United States can receive independent, third-party research on the company or companies covered in this report, at no cost to them, where such research is available. Customers can access this independent research at www.tweisel.com or can call (877) 921-3900 to request a copy of this research. Investors should consider this report as only a single factor in making their investment decision.

TWPL00001447

MUTED F2Q ON SPILT OVER SYNDESIS INTEGRATION ISSUES

Subex Azure reported a muted quarter on delays in allocating sufficient resources to its continuing business, which in turn prevented it from achieving timely revenue recognition milestones. The company had cited similar manpower allocation issues leading to a delay in revenue recognition of INR400mn in F1Q08. This follows the company moving resources from its continuing business to its recently acquired Syndesis business, which temporarily left the continuing business understaffed. To get the delayed continuing business projects back on track, the company hired 110 employees toward the end of the quarter, which should resolve such issues going forward, in our view.

Reiterates guidance: Despite the relatively weak quarter, management reiterated its lowered FY08 guidance, which was first given during an analyst call on September 14, 2007, after one of the company's North American customers, AT&T, postponed orders. The current FY08 guidance is for product revenue of INR5,200mn (\$130mn) and profit after tax of INR1,040mn (\$26mn).

Robust pipeline: In order to de-risk itself from its North American dependence (35% of total business), Subex Azure has been actively diversifying into newer geographies such as Africa, The Middle East and Asia. Recent multimillion-dollar contract wins in the Middle East and Africa has increased the deal pipeline from \$310mn at the end of FY07 year to \$330mn currently. The pipeline has a 34% success rate of being converted into confirmed orders, which means that the company could potentially win another \$112mn worth of orders from it. The current order book of \$67mn is \$20mn short of the orders required to achieve the guided \$130mn revenue for FY08.

On-track Syndesis integration could lead to significant cost savings: We expect the company to achieve significant cost savings from reducing Syndesis acquisition related costs (restructuring expenses and onsite employee costs). The company has now completed a considerable part of the integration having made redundant 85 positions out of the planned 115-120. The company has already paid \$5mn in redundancy payments to retrenched employees in F1H08 out of the planned \$6mn for the full year and expects a \$6-7mn reduction in the employee cost base as a result of the restructuring efforts. Management expects the Syndesis EBITDA margin to improve from 5% in FY07 to 22.5% in FY08 as a result of the transition. The company also expects lowered marketing expenses to improve the EBITDA margin of the continuing business from 22.6% in FY07 to 35.5% in FY08. We are modeling the EBITDA margin to improve from 14.3% in FY07 to 18.1% in FY08 and 32.4% in FY09.

Actuals versus Estimates

Subex Azure Limited		F2Q08A		Variance		Y/Y Comparison	
All figures in INR mn except per share data		Actual	Estimate	(INR mn)	(%)	F2Q07A	Growth
Revenue		1,030	1,699	(669)	-39.4%	1,031	-0.1%
Direct costs/ materials consumed		17	44	(27)	-61.4%	51	-66.7%
Personnel costs		1,056	1,009	48	4.7%	617	71.1%
Other operating, selling and administrative expenses		297	264	33	12.4%	201	47.8%
EBITDA		(341)	382	(722)	-189.2%	161	-311.0%
Depreciation and amortization		42	32	10	32.4%	38	11.2%
EBIT		(383)	350	(733)	-209.5%	123	-410.3%
Financial costs		71	49	23	46.4%	19	271.8%
Other income		145	36	109	306.0%	82	76.5%
Profit before taxation		(310)	337	(646)	-192.0%	186	-266.2%
Provision for taxation		39	37	2	4.6%	23	71.5%
Profit after tax		(348)	300	(648)	-216.3%	164	-312.8%
Pro forma profit after tax (adjusted for FCCBs)		(304)	335	(639)	-191.0%	164	-286.0%
Reported diluted EPS		-9.91	6.63	-16.54	-249.5%	5.40	-283.4%
Pro forma diluted EPS		-6.18	6.63	-12.81	-193.2%	5.40	-214.3%
Shares outstanding - diluted (in mn)		35.14	50.46	(15.32)	-30.4%	30.29	
Shares outstanding- diluted (adjusted for FCCBs and warrants)		49.27	50.46	(1.19)	-2.4%	30.29	
EBITDA margin		-33.1%	22.5%	-5554 bp	15.7%	-4873 bp	
EBIT margin		-37.2%	20.6%	-5776 bp	12.0%	-4915 bp	
Effective tax rate		-12.5%	11.0%	-2351 bp	12.1%	-2463 bp	
Net profit margin		-33.8%	23.2%	-5702 bp	15.9%	-4969 bp	
Pro forma net profit margin		-29.6%	19.7%	-4924 bp	15.9%	-4542 bp	

Note: NM = Not Meaningful

Source: Company reports and Thomas Weisel International estimates

Changes to Our Estimates

Subex Azure Limited		F3Q08E		Variance		FY08E		Variance		FY09E		Variance	
All figures in INR mn except per share data		Revised	Prior	(INR mn)	(%)	Revised	Prior	(INR mn)	(%)	Revised	Prior	(INR mn)	(%)
Revenue		1,729	2,045	(316)	-15.5%	6,351	7,382	(1,031)	-14.0%	8,274	9,429	(1,156)	-12.3%
Direct costs/ materials consumed		21	55	(34)	-62.2%	79	147	(68)	-46.0%	99	751	(651)	-86.8%
Personnel costs		872	1,069	(197)	-18.4%	3,780	4,218	(439)	-10.4%	3,862	3,771	91	2.4%
Other operating, selling and administrative expenses		346	319	27	8.4%	1,346	1,289	57	4.4%	1,635	1,994	(359)	-18.0%
EBITDA		490	602	(112)	-18.6%	1,147	1,728	(581)	-33.6%	2,678	2,914	(236)	-8.1%
Depreciation and amortization		56	33	24	72.7%	197	139	58	41.9%	240	151	88	58.4%
EBIT		434	569	(135)	-23.8%	950	1,589	(639)	-40.2%	2,438	2,763	(325)	-11.8%
Financial costs		89	47	43	91.4%	319	209	110	52.6%	788	160	628	392.8%
Other income		52	10	42	407.2%	612	419	193	46.1%	414	283	131	46.2%
Profit before taxation		397	533	(136)	-25.6%	1,243	1,799	(556)	-30.9%	2,063	2,886	(822)	-28.5%
Provision for taxation		48	59	(11)	-18.8%	208	183	25	13.6%	268	325	(56)	-17.4%
Profit after tax		349	474	(125)	-26.4%	1,035	1,615	(581)	-36.0%	1,795	2,561	(766)	-29.9%
Pro forma profit after tax (adjusted for FCCBs)		381	509	(128)	-25.2%	1,179	1,797	(618)	-34.4%	1,920	2,730	(809)	-29.6%
Reported diluted EPS		9.93	9.99	-0.06	-0.6%	29.45	34.92	-5.47	-15.7%	51.09	51.06	0.03	0.1%
Pro forma diluted EPS		7.73	9.99	-2.26	-22.6%	23.94	34.92	-10.98	-31.5%	38.98	51.06	-12.08	-23.7%
Shares outstanding - diluted (in mn)		35.14	50.96	(15.82)	-31.0%	35.13	51.46	(16.32)	-31.7%	35.14	53.46	(18.32)	-34.3%
Shares outstanding- diluted (adjusted for FCCBs and warrants)		49.27	50.96	(1.69)	-3.3%	49.26	51.46	(2.19)	-4.3%	49.27	53.46	(4.19)	-7.8%
EBITDA margin		28.4%	29.4%	-108 bp	18.1%	23.4%		-535 bp	32.4%	30.9%		146 bp	
EBIT margin		25.1%	27.8%	-274 bp	15.0%	21.5%		-657 bp	29.5%	29.3%		17 bp	
Effective tax rate		12.0%	11.0%	100 bp	16.7%	10.2%		656 bp	13.0%	11.3%		175 bp	
Net profit margin		20.2%	23.2%	-301 bp	16.3%	21.9%		-559 bp	21.7%	27.2%		-547 bp	
Pro forma net profit margin		22.0%	24.9%	-287 bp	18.6%	24.3%		-578 bp	23.2%	28.9%		-574 bp	

Note: NM = Not Meaningful

Source: Company reports and Thomas Weisel International estimates

VALUATION

We are maintaining our Market Weight rating but lowering our 12-month price target to INR400 (10.3x FY09E EPS) as we await some proof of execution of FY08 targets from the company. SUBX IN currently trades at 14.4x FY08E EPS versus the peer group median of 16.6x. In addition to general market and macroeconomic risks, for Subex Azure, risks to our price target include higher-than-expected restructuring costs, continuing resource allocation issues and a slowdown in capital spending by telecom service providers.

October 25, 2007

3

Thomas Weisel International
Abhiram Eleswarapu 415.262.6361 +91.22.30214510

TWPL00001449

Comparable Company Valuations

Company	Ticker	Price	Avg Daily	Market cap	EV (MR	EV/ Sales		EV/ EBITDA		P/E		FY07-09E Growth Rate		FY08E
		25-Oct-07	Vol ('000)	(INR mn)	(mn)	FY08E	FY09E	FY08E	FY09E	FY08E	FY09E	Revenue	EPS	PEG
Subex Azure Limited *	SUBEXAZU-BY	INR 344.50	47.3	11,646	19,635	3.1x	2.4x	17.1x	7.3x	14.4x	8.8x	55.8%	35.2%	0.4x
Cranes Software International Ltd.	CRANES-BY	INR 114.80	67.2	13,038	14,770	NA	NA	NA	NA	NA	NA	NA	NA	NA
Educomp Solutions Ltd.	EDUCOMP-BY	INR 3,418.05	54.4	57,561	57,605	23.7x	13.1x	47.1x	23.6x	NM	52.3x	182.0%	142.8%	NM
Finacle Technology (India) Ltd.	FINTECH-BY	INR 2,534.55	103.5	111,783	105,177	NA	NA	NA	NA	NA	NA	NA	NA	NA
I-FLEX Solutions Ltd.	I-FLEX-BY	INR 1,551.25	12.2	131,862	123,641	4.8x	3.6x	23.7x	17.8x	32.4x	23.9x	25.7%	17.4%	1.9x
Nucleus Software	NUCLEUSSOFT-BY	INR 270.90	24.8	4,538	4,289	1.4x	1.0x	5.7x	4.0x	12.2x	8.9x	38.9%	33.5%	0.4x
Sasken Communication Technologies	SASKEN-BY	INR 295.00	94.5	8,674	8,994	1.5x	1.2x	10.9x	8.9x	16.8x	11.6x	25.6%	27.1%	0.8x
MEDIAN (ex-Subex Azure)						3.1x	2.5x	17.3x	12.3x	16.6x	17.8x	32.3%	30.4%	0.6x
MEAN (ex-Subex Azure)						7.8x	4.8x	21.8x	13.1x	20.4x	24.2x	68.0%	55.2%	0.9x

Source: Company reports, Thomson Financial, (*) Thomas Weisel International estimates

October 25, 2007

4

Thomas Weisel International
 Abhiram Eleswarapu 415.262.6361 +91.22.30214510

TWPL00001450

Subex Azure Limited (SUBX IN)

All figures in INR mn except per share data

Year Ending March

Subex Azure Limited - Quarterly Income Statement

All figures in INR mn except per share data

	F1Q07A	F2Q07A	F3Q07A	F4Q07A	F1Q08A	F2Q08A	F3Q08E	F4Q08E	F1Q09E	F2Q09E	F3Q09E	F4Q09E
	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09
Revenue	434	1,031	1,062	882	1,317	1,030	1,729	2,276	1,941	1,999	2,198	2,225
Direct costs/ materials consumed	18	51	27	16	14	17	21	27	23	24	25	27
Personnel costs	321	617	542	597	1,012	1,066	872	840	890	938	996	1,038
Other operating, selling and administrative expenses	57	201	187	211	316	297	346	387	388	400	417	430
Provision for doubtful debts	-	-	-	76	-	-	-	-	-	-	-	-
Miscellaneous expenses amortised	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	38	161	306	(18)	(25)	(341)	490	1,022	639	637	670	731
Depreciation and amortization	28	38	23	37	41	42	56	57	58	59	60	62
EBIT	10	123	283	(55)	(66)	(383)	434	965	581	578	609	669
Financial costs	9	19	20	39	89	71	89	89	197	197	197	197
Other income	49	82	(57)	228	361	145	52	54	97	100	105	111
Profit before taxation	51	186	206	134	226	(310)	397	930	481	481	518	584
Provision for taxation	6	23	14	(142)	10	39	48	112	53	62	67	76
Profit after tax	45	164	191	278	216	(348)	349	818	428	419	450	508
Pro forma profit after tax (adjusted for FCCBs)	45	164	191	276	253	(304)	381	850	450	450	482	539
Reported diluted EPS	1.67	5.40	5.71	8.24	6.14	(9.91)	9.93	23.28	11.81	11.90	12.82	14.45
Pro forma diluted EPS	1.67	5.40	5.71	8.24	5.14	(6.18)	7.73	17.25	9.13	9.13	9.78	10.94
Shares outstanding - diluted (in mn)	26.83	30.29	33.49	33.51	35.11	35.14	35.14	35.14	35.14	35.13	35.14	35.13
Shares outstanding- diluted (adjusted for FCCBs and warrants)	26.83	30.29	33.49	33.51	49.24	49.27	49.27	49.27	49.27	49.26	49.27	49.26
Subex Azure- Q/Q Growth Rate												
Revenue	-12.4%	137.3%	3.0%	-17.0%	49.3%	-21.8%	67.8%	31.7%	-14.7%	3.0%	5.5%	5.6%
EBITDA	-69.2%	323.3%	89.8%	-106.0%	37.5%	1250.4%	-244.0%	108.5%	-37.4%	-0.4%	5.1%	9.2%
EBIT	-90.0%	1147.0%	129.6%	-119.4%	21.0%	477.0%	-213.4%	122.3%	-39.8%	-0.6%	5.5%	9.8%
Profit before taxation	-45.4%	268.6%	10.4%	-34.6%	68.0%	-237.1%	-228.2%	134.4%	-48.3%	-0.1%	7.7%	12.7%
Profit after tax	-37.1%	265.2%	16.8%	44.3%	-21.9%	-261.5%	-200.2%	134.4%	-48.8%	-0.1%	7.7%	12.7%

Source: Company reports and Thomas Weisel International estimates

October 25, 2007

5

Thomas Weisel International

Abhiram Eleswarapu 415.262.6361 +91.22.30214510

TWPL00001451

Subex Azure Limited (SUBX IN)

All figures in INR mn except per share data

Year Ending March

Subex Azure Limited - Income Statement	FY2004A	FY2005A	FY2006A	FY2007A	FY2008E	FY2009E
All figures in INR mn except per share data						
Revenue	879	1,166	1,814	3,409	6,351	8,274
Direct costs/ materials consumed	16	32	133	112	79	99
Personnel costs	499	638	915	2,077	3,780	3,862
Other operating, selling and administrative expenses	130	139	264	656	1,346	1,635
Provision for doubtful debts	-	-	-	76	-	-
Miscellaneous expenses amortised	1	0	0	-	-	-
EBITDA	233	356	502	488	1,147	2,678
Depreciation and amortization	42	72	92	126	197	240
EBIT	191	284	410	362	950	2,438
Financial costs	14	24	27	87	319	788
Other income	13	7	29	302	612	414
Profit before taxation	189	266	412	577	1,243	2,063
Provision for taxation	12	9	33	(99)	208	268
Profit after tax	178	257	379	676	1,035	1,795
Pro forma profit after tax (adjusted for FCCBs)	178	257	379	676	1,179	1,920
Reported diluted EPS	18.65	13.41	17.54	21.02	29.45	51.09
Pro forma diluted EPS	18.65	13.41	17.54	21.02	23.94	38.98
Shares outstanding - diluted (in mn)	9.53	19.18	21.59	32.15	35.13	35.14
Shares outstanding- diluted (adjusted for FCCBs and warrants)	9.53	19.18	21.59	32.15	49.26	49.27

Common Size Statement

Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct costs/ materials consumed	1.8%	2.8%	7.3%	3.3%	1.3%	1.2%
Personnel costs	56.8%	54.8%	50.5%	60.9%	59.5%	46.7%
Other operating, selling and administrative expenses	14.8%	12.0%	14.5%	19.2%	21.2%	19.8%
Provision for doubtful debts	0.0%	0.0%	0.0%	2.2%	0.0%	0.0%
Miscellaneous expenses amortised	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA	26.5%	30.5%	27.7%	14.3%	18.1%	32.4%
Depreciation and amortization	4.8%	6.2%	5.1%	3.7%	3.1%	2.9%
EBIT	21.7%	24.4%	22.6%	10.6%	15.0%	29.5%
Financial costs	1.6%	2.1%	1.5%	2.6%	5.0%	9.5%
Other income	1.4%	0.6%	1.6%	8.9%	9.6%	5.0%
Profit before taxation	21.5%	22.8%	22.7%	16.9%	19.6%	24.9%
Effective tax rate	6.1%	3.4%	8.1%	-17.2%	16.7%	13.0%
Profit after tax	20.2%	22.1%	20.9%	19.8%	16.3%	21.7%

Subex Azure - Y/Y Growth Rate

Revenue	25.6%	32.5%	55.7%	87.9%	86.3%	30.3%
EBITDA	48.4%	52.7%	41.3%	-2.9%	135.2%	133.5%
EBIT	59.0%	48.6%	44.4%	-11.7%	162.6%	156.7%
Profit before taxation	78.9%	40.7%	54.7%	40.0%	115.5%	68.0%
Profit after tax	77.7%	44.8%	47.2%	78.4%	53.1%	73.5%

Source: Company reports and Thomas Weisel International estimates

October 25, 2007

6

Thomas Weisel International
 Abhiram Eleswarapu 415.262.6361 +91.22.30214510

TWPL00001452

Subex Azure Limited (SUBX IN)

All figures in INR mn except per share data

Year Ending March

Subex Azure Limited - Balance Sheet	FY2004A	FY2005A	FY2006A	FY2007A	FY2008E	FY2009E
All figures in INR mn except per share data						
Inventories	0	0	-	-	-	-
Sundry debtors	615	732	962	1,213	2,120	2,000
Cash & bank balances	34	278	406	903	1,797	4,053
Loans & advances	43	57	74	250	492	623
Unbilled revenue	-	-	-	424	-	-
Total current assets	692	1,068	1,441	2,790	4,409	6,676
Total net fixed assets	91	369	397	359	349	239
Goodwill	309	309	309	7,021	15,398	15,398
Investments	0	0	-	7,404	-	-
Deferred tax assets (net)	-	4	8	168	126	126
Miscellaneous expenditure (not written off)	0	0	0	46	40	40
Total assets	1,092	1,750	2,156	17,788	20,322	22,479
Current liabilities & provisions	120	200	331	938	1,282	1,624
Deferred tax liabilities (net)	2	-	-	-	-	-
Total loans	168	309	14	8,443	9,323	9,323
Total equity	803	1,241	1,811	8,407	9,717	11,532
Total liabilities and equity	1,092	1,750	2,156	17,788	20,322	22,479

Subex Azure Limited - Cash Flows Statement	FY2004A	FY2005A	FY2006A	FY2007A	FY2008E	FY2009E
Cash flow from operating activities						
Net profit before tax and before extraordinary items	189	266	412	577	1,243	2,063
Operating profit before working capital changes	235	359	524	621	1,466	2,410
Adjustments for:						
Trade and other receivables	(187)	(122)	(292)	(336)	(484)	120
Loans and advances	(8)	(15)	(7)	(452)	(242)	(131)
Deferred tax assets	-	-	-	-	43	-
Miscellaneous expenditure	-	-	-	-	6	-
Inventories	0	0	0	-	-	-
Trade and other payables	(1)	75	93	(4)	343	342
Cash generated from operations [A]	39	297	318	(170)	1,133	2,741
Cash flow from investing activities						
Purchase of fixed assets	(57)	(351)	(116)	(73)	(714)	(130)
Advance for acquisition	-	-	-	(7,404)	-	-
Sale / disposal of fixed assets	1	1	21	10	-	-
Sale / purchase of investments	0	-	0	(261)	(973)	-
Deferred payment consideration towards acquisition	(65)	4	-	-	-	-
Dividend received	-	-	-	-	612	414
Net cash from investing activities [B]	(121)	(347)	(95)	(7,728)	(1,075)	284
Cash flow from financing activities						
Proceeds from issue of share capital / options	32	431	19	457	(294)	(412)
Proceeds/repayments from borrowings (net)	(50)	-	-	-	-	-
Proceeds from/(repayment) of short term borrowings	-	(61)	(59)	619	-	-
Proceeds from long term borrowings	-	256	6	8,050	1,390	432
Repayment of long term borrowings	-	(271)	(6)	(5)	-	-
Preliminary expenses	-	(0)	-	-	-	-
Dividends & dividend tax paid	(21)	(43)	(44)	(99)	-	-
Interest paid on borrowings	(14)	(20)	(27)	(87)	(319)	(788)
Adjustment account	-	-	-	60	(0)	-
FCCB & GDR expenses	-	-	-	(616)	-	-
Interest received	2	2	16	35	-	-
Net cash from financing activities [C]	(52)	294	(95)	8,414	776	(768)
Exchange fluctuation reserve on account of consolidation	5	1	-	(18)	60	-
Net increase in cash or cash equivalents [A + B + C]	(133)	244	128	516	834	2,256
Cash or cash equivalents, start of period	162	34	278	406	903	1,797
Cash or cash equivalents, end of period	34	278	406	903	1,797	4,053

Source: Company reports and Thomas Weisel International estimates

October 25, 2007

7

Thomas Weisel International
Abhiram Eleswarapu 415.262.6361 +91.22.30214510

TWPL00001453

Subex Azure Limited (SUBX IN)

All figures in INR mn except per share data

Year Ending March

Subex Azure Limited -Key Metrics	FY2004A	FY2005A	FY2006A	FY2007A	FY2008E	FY2009E
All figures in INR mn except per share data						
Operating income/ EBIT	191	284	410	362	950	2,438
Depreciation and amortization	42	72	92	126	197	240
EBITDA	233	356	502	488	1,147	2,678
EBITDA margin	26.5%	30.5%	27.7%	14.3%	18.1%	32.4%
NOPAT	179	275	377	461	742	2,170
Net working capital	538	589	705	948	1,330	999
Δ Net working capital	(180)	(51)	(115)	(244)	(382)	331
Capex	(57)	(351)	(116)	(73)	(714)	(130)
Free cash flow	(15)	(56)	237	270	(158)	2,611
Free cash flow/ sales	-1.7%	-4.8%	13.1%	7.9%	-2.5%	31.6%
Per share data						
Revenue / share	92.3	60.8	84.0	106.0	180.8	235.5
EBITDA / share	24.4	18.5	23.3	15.2	32.6	76.2
Operating income / share	20.0	14.8	19.0	11.3	27.0	69.4
Free cash flow / share	(1.6)	(2.9)	11.0	8.4	(4.5)	74.3
Cash flow from ops./share	4.1	15.5	14.7	(5.3)	32.2	78.0
Reported basic EPS	20.7	14.1	17.6	21.1	29.3	48.0
Reported diluted EPS	18.7	13.4	17.5	21.0	29.5	51.1
Cash / share	3.5	14.5	18.8	28.1	51.2	115.4
Net cash/share	(14.1)	(1.6)	18.2	(234.5)	(214.2)	(150.0)
Book value/share	84.3	64.7	83.9	261.5	276.6	328.2
DuPont and returns analysis						
Net profit margin	20.2%	22.1%	20.9%	19.8%	16.3%	21.7%
x Average asset turnover	0.8x	0.8x	0.9x	0.3x	0.3x	0.4x
= Return on assets, ROA	16.9%	18.1%	19.4%	6.8%	5.4%	8.4%
x Average equity multiplier, A/ E	1.5x	1.4x	1.3x	2.0x	2.1x	2.0x
= Return on equity, ROE	24.8%	25.2%	24.8%	13.2%	11.4%	16.9%
Operating income	191	284	410	362	950	2,438
- Income tax expense	12	9	33	(99)	208	268
= EBIAT/ NOPAT	179	275	377	461	742	2,170
Total assets	1,092	1,750	2,156	17,788	20,322	22,479
- Non interest bearing current liabilities	120	200	331	938	1,282	1,624
= Invested capital	972	1,550	1,825	16,850	19,040	20,855
Average invested capital	942	1,261	1,688	9,338	17,945	19,948
Return on invested capital, ROIC	19.0%	21.8%	22.3%	4.9%	4.1%	10.9%
Operational efficiency						
Days receivable	216.6	211.0	170.4	116.4	95.8	90.9
Accounts receivable turnover ratio	1.7x	1.7x	2.1x	3.1x	3.8x	4.0x

Source: Company reports and Thomas Weisel International estimates

October 25, 2007

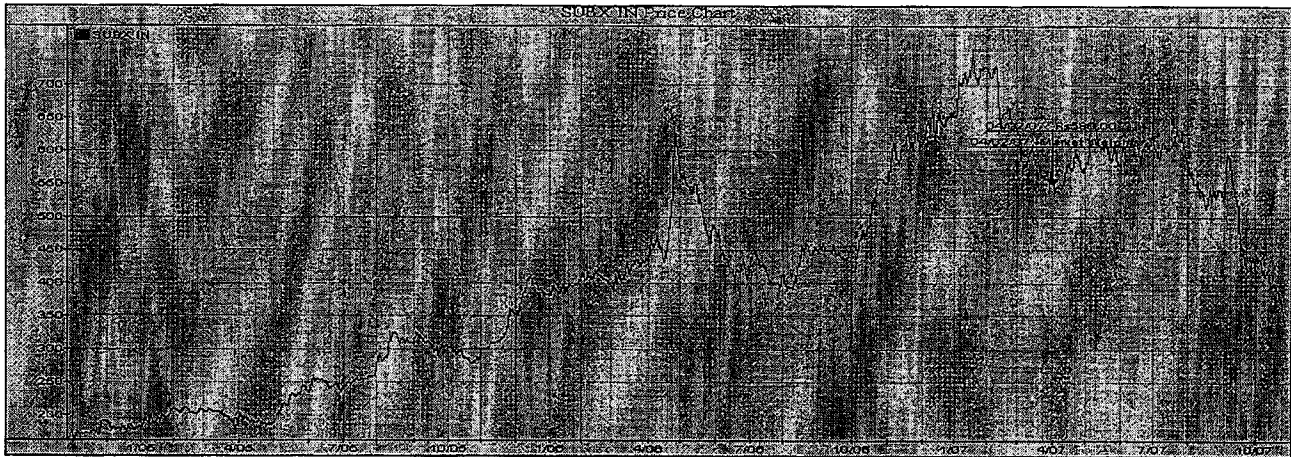
8

 Thomas Weisel International
 Abhiram Eleswarapu 415.262.6361 +91.22.30214510

TWPL00001454

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST.

ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES: The Research Analyst(s) principally responsible for the analysis of any security or issuer included in this report certifies that the views expressed accurately reflect the personal views of the Research Analyst(s) about the subject securities or issuers and certifies that no part of his or her compensation was or is or will be, directly or indirectly, related to the specific recommendations or views expressed by the Research Analyst(s) in this report.



Notes: Price chart updated as of 10/22/2007. All price targets displayed in the chart above represent either a specific price target or the midpoint of a range.

Source: First Call, FactSet and Thomas Weisel International Private Ltd.

The following grid outlines the Thomas Weisel Partners LLC stock rating system, along with the relevant definitions, effective November 16, 2006.

STOCK RATING	STOCK RATINGS DEFINITIONS	PCT. OF SECURITIES RATED IN EACH CATEGORY	PCT. FOR WHICH IB SERVICES HAVE BEEN PROVIDED
Overweight (O)	When an analyst rates a stock Overweight, he/she is advising our clients to carry a position in the stock that is in excess of its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	46.2%	31.5%
Total Buy		46.2%	31.5%
Market Weight (M)	When an analyst rates a stock Market Weight, he/she is advising our clients to carry a position in the stock that is in line with its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	50.2%	6.7%
Total Hold		50.2%	6.7%
Underweight (U)	When an analyst rates a stock Underweight, he/she is advising our clients to carry a position in the stock that is below its weighting relative to the stocks either in that analyst's coverage or an index identified by the analyst that includes, but is not limited to, stocks covered by that analyst.	3.6%	5.9%
Total Sell		3.6%	5.9%
Suspended Rating (S)	The stock rating has been suspended.		
Not Rated (NR)	The stock is not rated, but it is covered by a Thomas Weisel Partners LLC analyst.		
Not Covered (NC)	The stock is not covered by a Thomas Weisel Partners LLC analyst.		

Notes: The percentage of investment banking services is calculated as of 9/30/2007. The percentage of securities rated in each category is calculated as of 10/25/2007. An analyst's coverage universe is defined as all of the stocks within the analyst's industry that reasonably are part of his/her potential coverage, not necessarily the stocks specifically covered. "Buy", "Hold" and "Sell" are not ratings categories defined by Thomas Weisel International and should not be interpreted as investment opinions. We show these categories for illustrative purposes in accordance with NASD and NYSE regulations. The above table includes Thomas Weisel International stocks.

Source: FactSet and Thomas Weisel Partners LLC

This report contains statements of fact relating to economic conditions generally and to parties other than Thomas Weisel International. Although these statements of fact have been obtained from and are based on sources that Thomas Weisel International believes to be reliable, we do not guarantee their accuracy and any such information might be incomplete or condensed. All opinions and estimates included in this report constitute Thomas Weisel International's judgment as of the date of this report and are subject to change without notice. This report is for information purposes only. It is not intended as an offer or a solicitation with respect to the purchase or sale of a security, and it should not be interpreted as such. This report does not take into account the investment objective, financial situation or particular needs of any particular investor. Investors should obtain individual financial advice based on their own particular circumstances before making an investment decision based on the recommendations in this report.

In the United Kingdom, this document is intended only to be directed at market counterparties and intermediate customers. It is not intended to be directed at private customers, and it may not and is not intended to be distributed to or passed on, directly or indirectly, to private customers. The investments and/or services detailed in this document are available only to market counterparties and intermediate customers. Only market counterparties and intermediate customers may rely on this document. Private customers should not rely on the contents of this document.

Thomas Weisel Partners International Limited, authorized by the FSA, has approved this document for the sole purpose of the financial promotion regime under Section 21 of the Financial Services and Markets Act of 2000.

© Thomas Weisel Partners LLC, 2007. All rights reserved. Any unauthorized use, duplication or disclosure is prohibited by law and will result in prosecution.

October 25, 2007

10

Thomas Weisel International

Abhiram Eleswarapu 415.262.6361 +91.22.30214510

TWPL00001456